P 11/2

McNAIR PAPERS

NUMBER TWO

GRAND STRATEGY AND THE PACIFIC REGION

By JOHN E. ENDICOTT

THE INSTITUTE FOR NATIONAL STRATEGIC STUDIES

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A popular Government, without popular information, or the means of acquiring it, is but a Prologue to a Farce or a Tragedy; or, perhaps both. Knowledge will forever govern ignorance; And a people who mean to be their own Governors, must arm themselves with the power which knowledge gives [James Madison to W.T. Barry, August 4, 1822].

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An earlier version of this paper was presented to the Seventh Annual Conference on US National Defense Policy, November 1988, at the Fletcher School of Law and Diplomacy, and will be published in the Proceedings of that conference.

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THE INSTITUTE FOR NATIONAL STRATEGIC STUDIES
NATIONAL DEFENSE UNIVERSITY
Fort Lesley J. McNair
Washington, DC 20319-6000

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May 1989

Grand Strategy and the Pacific Region

GRAND STRATEGY AND THE PACIFIC REGION

By JOHN E. ENDICOTT

THESE ARE EXCITING TIMES is an ageless phrase used to introduce countless assessments of the Pacific area. As worn as they might be, these words aptly capture—in the blink of an eye—the dynamism of the Pacific region. From north to south, wherever the Pacific Ocean caresses its far-reaching shores, we see meaningful and unparalleled change.

The changes occurring are an interesting mixture of political and economic events made possible by the bubbling up of the inherent energies of the area itself, by the declining regional reach of the two nuclear superpowers, and by the active involvement of Japan—a new kind of economic superpower whose role is only now becoming discernible. Even as this paper is being written, events are breaking almost daily: in China, massive pro-democracy demonstrations persist; and even Burma, the "Rip Van Winkle" of Asia, is showing increasing signs that it too will enter the 21st century in far different form than maintained for the past generation.

Realizing that the subject chosen is as vast as the Pacific itself, I intend to scan the horizon, identify trends, and place those trends into some policy perspective for the United States itself. Using quick glimpses into the domestic scenes of selected states of the Pacific region, I hope to capture some of the nature of change in these states. Clearly, opportunities for dramatic and positive change exist in this sector of our national global interests. Timely and determined political leadership at this important point by the United States could ensure a stable future for the continued mutually beneficial economic development of the entire region.

In essence, I am calling for a Grand Strategy for the Pacific Rim: A strategy that will catch a new consensus on both sides of the Pacific, that will focus on the long-term process of creating a security community truly deserving of its name, Pacific.

The Pacific Today

Let's begin our review of change throughout the Pacific Rim with a look at the Philippines.

The Philippines. Starting with the Philippines only emphasizes the point that events of the next few years will have a major impact on the shape of democracy in this island republic. Over the next decade, one of the most important questions will concern the Land Reform of the Aquino government, and how responsive generally that government will be to the needs of the Philippine people to deny the New People's Army the adherents it needs. The question is, will land reform be executed in a fair and equitable fashion, or will vested interests get the upper hand and once again thwart the dream of Magsaysay?

Some major aspects of the program are outlined here. Five hectares are reserved for all land owners, and three for each child; a 10-year implementation period is established; and, 25 percent of the land value will be provided to owners in cash and 75 percent in government bonds. This last aspect is from the more successful historic land reform measures such as the Japanese and Taiwanese programs that used these same techniques to continue to tie those who are loosing land to the government through bonds. Other aspects include a 5 percent cash incentive for immediate enrollment in the program rather than delaying over the 10-year period. Of course, one of the major problems is that major incorporated farms are exempt from the reform for 10-years; workers, however, are being paid a 3 percent profit sharing bonus. Finally, ancestrial lands are temporarily excluded from the reform package to lessen the problems that might come from some of the minority

communities that seek greater autonomy from central government control.

Politically, relations between the United States and the Philippines have been complicated by several on-going issues directly related to regional security. One is the nuclear restriction act that was introduced into the legislature. Another issue is the review of the base rights agreements permitting the United States to station forces in and operate from the Philippines. The anti-nuclear act has already passed the Senate, but will probably not pass the House. This act, if it becomes law, would prohibit nuclear weapons from Philippine territory to include land, sea, and air space. The mere prospect of such a law has created an environment useful to the Philippine side in discussing US base rights. One can expect the issue to remain active and contribute to things that happen down the road.

Agreement on the base rights issue—the question of US access to its principal bases in Clark and Subic Bay—has been reached temporarily through the review of the US presence that was conducted in Manila between US and Philippine officials. Although this recent review was spirited, and the US payments for continued use significantly increased, the issue really becomes decisive in 1991, when the United States must depart if asked. From the standpoint of the verbal exchanges that took place and the ultimate impact such airing of "dirty linen" had on the bodies politic of both the United States and the Philippines, the issue is important *now*. Clearly, some very strong indications of Philippine nationalism were evident.

Of special note was the unique role played in the negotiations by the Philippine Foreign Minister, Raul Manglapus. He brought a dynamism to the negotiations that was reflected in the daily press in Manila. He also brought a certain informed cynicism to the process that is shown by his personal involvement in a current Manila play—"Yanky Panky"—which he scripted and for which he wrote the accompanying music. It is a very successful play; an appropriate follow-on to the "Marcos Follies," another play he wrote. Unfortunately, Americans do not fare too well in his theatrical portrayals.

The Foreign Minister talked publicly about the need for 3 billion dollars for Clark and Subic, and broke off talks on the 28th of July when it was reported in the press that he

SOVIET UNION
MONGOLIA
CHINA
INDIA
JAPAN
Hong Kong (U.K.)
VIET NAM
PHILIPPINES
INDONESIA
NEW GUINEA
SOLOMON ISLANDS
AUSTRALIA
CANADA
UNITED STATES
MEXICO
U.S.
U.S.
U.S.
North Pacific Ocean
South Pacific Ocean
Indian Ocean

had reduced his demand to 1.2 billion dollars. However, a gap remained between 1.2 billion and the lesser amount the United States was willing to commit. On 17 October 1988, however, an agreement was reached: as reported in Manila, the Americans committed to pay 1.46 billion dollars to "maintain Subic Naval Base and Clark Air Base until 1991."[1]

The logic of the Philippine argument came from a comparison of US aid to Egypt and Israel that amounts to roughly 3 billion dollars annually. The Philippine Foreign Minister asked rhetorically about US bases in these countries: how many US personnel, he probed, are stationed there? He drove the point home to us about the Pacific Century and American dependence on those two bases for carrying out much of our strategy for the South Pacific, South Asia, and Southwest Asia. The location of the Philippines makes an argument that largely speaks for itself.

This argument for a greater US contribution was made even though the American presence brings over $600 million per year in salaries and related income, and even in the face of US commitment to actively pursue a "mini Marshall Plan." Also known as the Multilateral Aid Initiative (MAI) for the Philippines, this plan could amount to 10 billion dollars in grants and loans from an international consortium. Of course, many factors were at play here, not the least of which is the "special relationship" America has with its one-time colony. As we look toward 1991 and a new administration, the vital importance of these bases needs to be better articulated to the American public and measures to widen their value to the economy of the Philippines generally should be pursued.

Other challenges to the most recent experiment in Philippine democracy are seen in the continued unease within some elements of the Philippine Armed Forces toward the handling of the communist insurgency by President Aquino and her civilian advisors. Leadership of such opposition is generally focused in the person of Gregorio Honason, a charismatic colonel who led a coup attempt in August 1987. He was captured, but later escaped with the aid of his navy guards. Rejecting amnesty for this figure who is outspoken in his desire to crush the insurgency militarily, Aquino brings her great popularity with the people of the nation into conflict with

a firebrand. In combating this criticism from the right, Mrs. Aquino has taken to increasing the number of former or retired senior military in her government. While not an overwhelming practice, it will bring the benefits that come with such incorporation, but also the dangers.

The economy shows a resurgence that is evident in a bustling construction program throughout Manila. The problem, of course, will be to generalize successful economic recovery throughout the island chain including those areas given over to a single crop, such as sugar. In this regard, land reform on an island-by-island basis might relieve some of the more desperate situations. On the whole, it appears that the economic community has regained its confidence in the ability of the democracy to survive. It will be up to US policy to aid and nurture such an outcome in conjunction with the other states of the Pacific Rim, especially Japan.

Vietnam. Events in Vietnam are no less dynamic than those just mentioned. What is particularly paradoxical is that we now turn to a nation—once the most bitter of foes—that serves as one of the classic failures of the communist economic model. Vietnam has squandered precious, already limited, resources on an imperial adventure in Cambodia, cannot adequately feed itself, is in the midst of self-doubt about many of its own party cadre, and faces new economic pressures by a possible realignment of Soviet overseas objectives. This situation calls out for a US response that is creative, innovative, in our self-interest, and productive of regional stability.

The confluence of a number of political, military, and economic factors has led the leadership in Hanoi to announce a significant reduction in its military posture in Laos and Cambodia. According to Vietnamese accounts, Vietnam has withdrawn 20,000 troops from Laos (practically its entire presence) and 50,000 troops from the 125,000 in Cambodia. Remaining forces, according to the Vietnamese, will be placed under command of a Cambodian general, and troops remaining in Cambodia will be pulled back 30 kilometers from the Cambodian-Thai border.

All these developments come at a time when economic needs of Vietnam are increasingly obvious. In an attempt to shore up the economy and bring in foreign capital, joint

enterprise opportunities have been forged with Thailand, the United Kingdom, and Hong Kong; limited stock companies have been established to obtain equipment to replace old and inoperable items left from more prosperous times; and even a trade delegation from South Korea was invited recently. These developments—plus some doubt about the continuation of the $2 billion annual Soviet subsidy—reveal a domestic situation in a state of flux.

As if to mirror this dynamism, a new premier, Do Muoi, was elected by the National Assembly in an election characterized by a vocal opposition and some emphasis on the process of Peristroika currently underway in the Soviet Union. The new leader, known for his conservative communist inclinations, was called on to meet the challenges, especially of food shortages, that his predecessor, Vo Van Kiet, failed to resolve. One of his principal charges will be to energize the economy, which has yet to respond to reforms now a year old.

The scope of popular dissatisfaction with life in Vietnam continues to be seen through the figures of "boat people." Since 1981 over 244,000 Vietnamese have voted with their feet and fled to neighboring states. Increasingly, the nature of the refugees has changed from the original foes of the regime to the individuals who see no economic future in Vietnam. Basically, they have become "migrants escaping Vietnam's economic condition."[2]

Promising improvements in relations with the United States began during the summer of 1987 when Foreign Minister Nguyen Co Thach met with retired Chairman of the Joint Chiefs of Staff, General John W. Vessey, Jr., to discuss outstanding "humanitarian" issues, principally the resolution of the status of 2,400 Americans still characterized as "missing in action (MIA)." As increased cooperation on this issue began, there was also mention of release from re-education centers and possible resettlement in the United States of some 10,000 Vietnamese supporters of the old regime.

Foreign Minister Thach, with reference to Cambodia, called for the United States and Vietnam to articulate the following common objectives: a withdrawal of Vietnamese forces; no return to Cambodia of the Khmer Rouge leader Pol Pot; a leading role for Sihanouk; and an overall political

solution.[3] All this came to an abrupt halt during the first week in August 1988 when the Vietnamese accused the United States of following a "hostile policy."[4] Continued pressures on Vietnam forced its reversal of this course only weeks later.

As time passes, it will become clear to the Vietnamese leadership, now obviously engaged in a debate of its own, that resolution of the the MIA issue and withdrawal from Cambodia are in the interests of their nation, and that the new administration will not offer new opportunities for a better deal. In the meantime, "reformists" such as Nguyen Van Linh, leader of the Communist Party of Vietnam, will have to seek elsewhere for the help necessary to resolve some of Vietnam's fundamental and continuing problems.

People's Republic of China. Vietnam will not be looking to China for assistance in resolving some of its economic problems. In fact, Vietnam is still smarting over the sinking of several of its patrol boats by ships of the Chinese Navy just off the Spratly Islands in the South China Sea. China's neighbor to the south, however, could certainly spend time profitably by observing the significant changes brought to the Chinese economy by Deng Xiao Ping and his immediate successors. Deng retired from most of his major posts in October 1987 but retained a very important post as Chairman of the Military Commission of the Chinese Communist Party. From that vantage point, he remains available as Li Peng, the new Premier, begins to make his own impression.

China continues to follow Deng's policy of the Four Modernizations, hoping to raise China to the status of a major power by the middle of the 21st century. This policy emphasizes agriculture, the industrial base, and scientific and technical capabilities *before* the military. The fourth modernization, that of the military, has placed the military in the interesting position of using its industrial base for civilian-oriented production. It possibly contributed to the increase in weapon sales to Middle Eastern states, especially Iran, making China one of the the five major exporters of weapons in the world.[5] The rapid increase in weapon exports may be the result of trying to obtain needed hard currency to carry on other aspects of China's modernization program.

It is clear that the military—as a means of social mobility and economic reward—is facing keen competition from sectors such as agriculture and small industry that are producing increased profits. Also, military reorganization has reduced the overall number of personnel in uniform, creating some social disruption as disgruntled former military attempt to transition into the civilian economy.[6]

Clearly, as the Deng reforms continue to fuel annual GNP increases of 10 percent or more, disruption and competition may become far more common than in the recent past. In the process of reducing the military, some of the "iron rice bowls" of the past will be broken, complicating a simple guaranteed level of living as the economy generally is brought into the global arena.[7]

While the economic vitality of the PRC dazzles any foreign visitor, and must cause some Chinese to wonder where they are, some warning lights have recently flashed. Insignificant considering the relative scale of the Chinese experiment, such concerns relate to historic indicators of the health of Chinese administrations. For example, local irrigation systems are reported as "breaking down all over China."[8] Whether this is resort to hyperbole, or, in fact, 90 percent of the reservoirs of Shandong Province have indeed fallen into disrepair, the importance of the irrigation system from an historic perspective must not be forgotten. The Chinese themselves will not overlook it. With emphasis on profits, producers likely did not have the collective labor needed to sustain the system as the first thing on their mind; on the other hand, a new scheme to provide compulsory labor for system maintenance was reported in December 1987.[9]

The great release of collective Chinese energies associated with the rush to the 21st century creates another concern: increasingly, the Chinese people view their government and party bureaucracies as corrupt. This belief was substantiated somewhat in a survey conducted by the Chinese Academy of Social Sciences, in which 63 percent of cadres interviewed admitted some kind of corrupt practice.[10] If true, we can see what Mao Tse Tung had in mind when he wished to keep the bureaucracy in a state of almost constant ideological turmoil. Before we cast any stones, however, we should poll our own

population about similar questions. Perhaps since the yellow tape appeared in the halls of the Pentagon, we have our own perception gap.

One gap that is not a perception but a reality relates to higher education and its ability to sustain the Chinese drive for technical and scientific competence. During the 10-year Cultural Revolution, the system of higher education suffered incredible excesses. Today China has 1,054 universities, of which approximately 400 are just 5 years old.[11] Creating educational systems and universities that are more than just physical plants must be one of the greatest challenges facing China. And, as those most affected by the Cultural Revolution—people now in the 34-44 age bracket—begin to assume the leadership roles expected of them, this issue will create challenges and opportunities that may have regional impact.

Success of the economic reforms will give China a new base on which to interact with its immediate neighbors, the Soviet Union, Vietnam, and Japan (as well as Hong Kong, Taiwan, and India). Foreign Minister Qian Qichen has already indicated some flexibility with regard to the Cambodian issue, but it is clear that aid to the Khmer Rouge will continue until Vietnamese forces withdraw.[12] The Soviet Deputy Foreign Minister, Igor Rogachev, visited Beijing to discuss Sino-Soviet relations, which seem almost daily to assume a more positive stance.[13] Although nearly overshadowed by the popular demonstrations for democracy, Gorbachev's own visit to Beijing this May was another step toward improved relations. And Sino-Japanese affairs, while not the best when it comes to such irritants as the Kyoto dormitory issue and Chinese concerns with revanchist militarism, are robust in the economic sphere. Chinese seeking short-term employment crowd visa centers, hoping for temporary but high-paying jobs in Japan.[14]

Such events as the Sino-Vietnamese incident over the Spratlys, however, clearly show that China will insist on making its presence in the region much felt. Further, China will be sensitive to criticism such as the US Senate's "Dole Amendment," which China rejected as "unreasonable interference in China's internal affairs."[15]

Generally, US-Sino relations reveal a healthy expansion of political and economic interaction, and even some useful ongoing contacts in the military sphere. China is now the fifteenth largest trading partner with the United States, running a surplus of approximately 3.5 billion dollars.[16] The fifth round of the US-Chinese talks on disarmament were concluded in August 1988, and Secretary of Defense Frank Carlucci visited in September. These indicators of frequent and meaningful exchange continue and reflect the positive nature of the relationship.

South Korea. Of all the dynamic states and areas of the Pacific Rim, perhaps the most active, considering both political and economic achievement, would be the finger-like Korean Peninsula jutting out into the Po Hai Gulf and the Sea of Japan. In South Korea, the Chun Doo Hwan succession to Roh Tae Woo of the Democratic Justice Party, while contentious, was the first peaceful transfer of power on the Korean Peninsula since 1910—a genuinely significant event. The responsible opposition of Roh's principal political adversaries Kim Yong Sam, Kim Tae Chung, and Kim Chong Pil, is also important to note. The practice of democracy is often not a clear-cut affair, and can be extremely dysfunctional to those calling for strong leadership and policies of boldness. However, the political progress experienced by South Korea in the last year has been historic.

Similarily, the economic achievement has been well-recorded and recognized worldwide. South Korea is now the seventh largest trading partner of the United States and enjoys a surplus of approximately 9 billion dollars.[17] The GNP growth rate for 1987 was a fantastic 12.6 percent, but 1988 has been affected by strikes and some disruptive trade disputes with the United States. Korea, as all the newly industrialized states of Asia are recognizing, will have difficulty maintaining such dramatic economic growth, especially in light of the newly passed US trade legislation which will address issues such as market access for US business.

A major actor in the political and economic sectors has been Korean college-age youth. Student unrest that became intense with the death of Pak Chong Chol has been an

element that alarms many close observers. Of primary concern is the increasingly anti-American current that can be observed among these future leaders of Korea. Extremely critical of American policy since the Kwangu Incident of 1978, a growing number now believe that the United States has pursued policies first, to divide Korea in 1946, and second, to continue the separation of the two Koreas since then. In a remarkable revisionism that captures a certain flavor of the state of affairs during Alice's visit to Wonderland, many of the young college students firmly, and wrongly, believe that the United States is interested only in the continuation of the division of the North and South. This has led to a political activism on the part of this vocal group that is directed toward rapid repair of relations between the North and South.

The government of Roh Tae Woo takes the firm position that contacts with North Korea will be through official channels. This flies in the face of desires by students for informal meetings with counterparts at the demilitarized zone. Such pressure, and the overall desire to incorporate North Korea into the Olympic Games, have resulted in a level of contacts between the two governments that is unprecedented. Perhaps the new policy of South Korea toward the North—to treat it as a younger brother—will change the current state of military threat between the two.

Certainly, the appeal by President Roh Tae Woo at the United Nations General Assembly for an international conference "to end the division of the Korean peninsula," demonstrates the dramatic turn of events in Korea.[18]

Still, the threat from the North is reportedly seen as so severe by the South that it will take until the year 2005 to gain a posture of "self-reliance." Until that time, the South will seek to retain US forces in Korea. However, action by the US Congress in the 1988 defense budget bill will certainly not go unnoticed. Although South Korea spends approximately 5 percent of its GNP for defense and contributes some 40 million directly to combined defense projects, the draft of the second defense budget bill passed in 1988 (after a veto) placed a cap on US forces in Korea, and called for greater contributions by the Republic of Korea toward defense.[19] While later removed in conference session, a message was sent from some members of Congress to Korea.

The future, in no uncertain terms, remains tied up in the all-important relationship with its "younger brother to the north," North Korea. Progress that might be made toward reducing tensions, and eventually toward some form of reunification, will determine the kind of future for the peninsula and along the Pacific Rim generally.

North Korea. North Korea, the true "Hermit Kingdom" if ever one existed, has followed the leadership of one man since the founding of the communist regime after World War II. Dedicated to the economic self-reliant concepts of Chuche, this Korean version of Marxism and Leninism has been North Korea's experience, with only slight moderation. This unique socialist road has yielded a strong military and an austere, almost Spartan, way of life for those of the North. As mentioned above, this particular feature, a Korea "going it alone" and in the face of severe hardship, has captured the imagination of some of the college activists of the South, making for an interesting development that cannot be overlooked.

The North's primary problem, outside the economic sphere, is succession. Superficially, the decision has been made for Kim Chong Il to succeed his father. Whether this will, in fact, occur remains to be seen. A recent report out of Tokyo shows that Kim Hyong-il, the first son of the "greatest leader's" second wife, can also seriously be considered a possibility.[20] He now holds the post of Deputy Chief of the General Staff Department in the Armed Forces Ministry, and is reportedly popular within the military itself. This report, however, demonstrates one of the major problems in dealing with North Korea: we are dependent on other observers for our planning insights. Perhaps as we, in conjunction with the South Korean leadership, attempt to bring the North into greater contact with the West, this problem will lessen.

Currently, the North is talking past the South on early moves for resolving differences that exist between the two countries. In reply to the United Nations address by President Roh Tae Woo, the Northern spokesman, while turning down all the proposals, did not resort to the "harsh rhetoric" typical of such exchanges.[21] Back home in North Korea, however, a similar statement was denounced as "splittist in nature."[22]

Japan. As has been indicated, by inference or direct reference, the role Japan will be expected to play in any regional security concept is already significant and getting more so by the day. The most recent Defense White Paper reveals a Japan concerned with a continued Soviet military buildup in East Asia in the face of a diplomatic offensive that drives at the very base of support for any democracy—its popular support. The White Paper shows, however, that Japan continues to focus on those areas necessary to the defense of Japan.[23] Three major areas were emphasized: research and development for the defense forces; recruitment of high quality personnel; and US-Japan defense cooperation.

Budget figures for fiscal year 1989 also indicate continued hardware modernization and force enhancement. Continued acquisition and development of surface-to-surface missiles, aircraft, anti-submarine systems, and other weapons, ensure that Japan is heading toward its goal of a competent "defensive defense" of the Japanese home islands. By the completion of the next mid-term defense plan in 1995, Japan will be able to defend the northern approaches to its islands, mine the straits, and control 1,000 miles of sea lanes in and around Japan.

Security is not just defense, however, as the Japanese fully recognize. Increasingly, their active involvement in the economic assistance area is making the difference in the developing world. Prime Minister Takeshita, in carrying out the *kokusaika* policy (or internationalization) first articulated by former Prime Minister Nakasone, has already pledged Japan to a 50 billion dollar aid package over the next 5 years. Also, Takeshita has made some progress in the total economic restructuring recommended in the Maekawa Report, so that Japan by the next century will be an import-oriented society.[24]

All is not quiet on the US-Japan scene, however; problems remain such as the rice question, patent processing, and the scale of Japanese investments in certain real estate markets in the United States. Despite these nagging problems, and despite the recent internal governmental crisis, many of the difficult issues are behind us. Japan has responded to the call that it act responsibly in light of its economic power. In the process, however, there have been some political costs, and

a new sensitivity can be seen in the formation of such organizations as the *Kokka Kihon Mondai Doshi Kai* (Society for the Study of Basic National Problems). It is in the next decade that US policy will have to blend hopes for the future with memories of the past, taking into consideration what the rest of Asia has in mind for the future of Japan also.

The United States and the Need for a New Strategic Consensus

At a recent conference on "NATO in the Fifth Decade," there was much attention, might I say concern, placed on the concept of a Pacific Century. The acceptance of the "reality" of the next century belonging to Pacific powers—with, of course, the United States numbering itself in such a group—was quite surprising. Here I was among scholars, diplomats, and soldiers of the major North Atlantic Treaty Organization states who were seemingly ready to accept as an accomplished fact, that somehow, someway, the diverse—non-aligned—states of the Pacific Rim would magically turn the economic miracle into a security miracle.

As can be seen from my review of selected states, the current situation is one of remarkable change and transition. In the Pacific region, even in the face of this dynamic change, almost all the security relations are accomplished through bilateral mechanisms. The 16-member NATO community, by contrast, is reinforced through trade and political institutions that form and reform the various players along meaningful relationships. When a security issue confronts the alliance, opportunities such as the NATO Planning Conference abound, allowing the members ready forums to sound out others and develop some form of consensus on the pressing problems. With 1992 just around the corner, we can expect a further tightening of the cohesiveness of the European community. Such is not the case in the Pacific Rim; unless some organizational security concept is created to fill this void, I believe that the "Pacific Century" may well be the 22nd Century, not the 21st.

That, however, is not to say that what can be achieved in the Pacific is anything less than forward movement. What will be needed, in any event, is leadership. To provide that leadership, a road map will be necessary. It will be necessary, since today the US national debt stands at 2.8 trillion dollars, the budget deficit at 150 billion, and the trade deficit at 170 billion (three-fifths of which is associated with East Asian nations). Interest payments on the national debt amount to 160 billion per year, and the defense budget stands at approximately 300 billion dollars.[25]

While such figures do have shock effect, of even greater importance is the fact that this comes at a time when we, as Americans and leaders of the Free World, can declare victory and claim that containment as a grand strategy for our nation has succeeded. What is needed now, and what we are seeking during this transition period, is a new grand consensus that reflects the changes in the international economic order—in both socialist and capitalist camps. Rather than containment as our future strategy—what we might be seeing over the next few years will be a policy of active engagement. Such a policy would not react to Soviet initiatives, but lead the world, and especially in this instance, the Pacific Rim.

Does my call for a new grand strategy mean that I am unhappy with current US policy? Not in the least. As one surveys the Pacific Basin, it is clear that above all other considerations, active leadership, in the absence of an integrated organization, is absolutely essential. The one nation who all expect, and most hope, will assume this responsibility is the United States. If this is the case, what agenda items will aid in securing our regional security over the next forty to fifty years?

A Global Arms Control Regime. To assure continued parity between the two nuclear superpowers in an era of mutual reductions, an active continuation of the nuclear arms reduction negotiations must be a first priority. However, in terms of security and budgetary outlays, remember that forty years of *Pax Atomica* have been purchased at relatively low cost. The security interests of both powers must be recognized, and when nuclear reductions do reach significant percentages, the involvement of regional nuclear powers must be realized.

While the big news is always made in the reduction of nuclear weapons, the big money is to be saved through conventional arms control. This is especially the case in those nations that do not rely on a draft to man the bulk of their fighting force. Therefore, the reduction of large standing military forces should be encouraged in line with measures to stabilize regional flash points. In the case of the Pacific Rim, the two peninsulas readily come to mind. A word of caution, however: Rapid reduction in the armed forces of a nation can seriously disrupt the economy if training for such a transition does not carefully precede the actual event. Thus, military manpower reductions must be integrated into regional economic development packages as part of any peace initiative.

Regional Communication. We must develop for the Pacific Rim better, faster, and more routinized means of regional communication. Such meetings as the annual "Pacific Basin Symposium" conducted by the National Defense University in Hawaii and Washington, D.C., could occur on a regular basis—perhaps every six months—but in different locations throughout the region. A community of scholars, diplomats, military officers, and policy specialists needs to be developed, facilitating frequent and general exchange of information on a variety of important subjects. Better, faster communications are an essential element in our quest for a regional security community.

Regional Economic Development. Key—absolutely fundamental—to a strategy of active engagement, will be the support and active advocacy for measures to keep the Pacific economic miracle alive. In this regard, a determination to "powershare" on the part of the United States, especially with Japan, is integral to any long-term effort. As efforts by Japan continue, with encouragement by the United States, to increase its responsibility for worldwide economic assistance, the United States must establish patterns of close cooperation with its economic partner. As Japan closes the gap between its current 1.3 percent contribution to defense and economic assistance and the 3.4 percent weighted average for NATO nations (excluding the United States), its role must be recognized with

an appropriate place at the table. The United States will have to be willing to deal with the fact that at some tables, Japan will be in the principal chair.

Priorities for regional development must be established by the principal economic engines of the region to reduce redundancy and waste. As a substantial part of the programs to stabilize the two peninsulas, a fairly high emphasis should be placed on the economic development aspects of such arrangements.

Regional Security Forces. The United States should, in the process of reaching consensus on its grand strategy for the next half century, commit itself to the concept of forward-deployed forces. Realizing that not much, if any, saving comes from bringing forces back to the continental United States, unless deactivated, and that much is gained by a US presence in various parts of the region, US forces should remain in strategic locations. The host nations and the nations of the region as a whole, however, should recognize that these forces are not forward deployed to be captive to one scenario or one nation. They should be viewed as US Expeditionary Forces available for contingencies throughout the region.

The important US presence on the Korean Peninsula comes to mind in this context. As confidence grows between North and South Korea, US forces might be drawn back from the DMZ, but retained on the peninsula in some mutually agreeable site. Later, as the confrontation diminishes further, those forces could be relocated to another compatible host country or to Hawaii.

A Strategy of Active Engagement

Drawing on the basic contradictions that still exist within the Soviet Empire, the United States and its Pacific allies should actively draw out the Soviet Union to full participation in regional affairs. In fact, without the complete cooperation of the Soviet Union in stabilizing the two peninsulas, such efforts are bound to fail. Soviet military assistance to clients must be minimized and it may be possible to do so in a climate of mutual trust.

An active endorsement of efforts to involve the Soviet Far East in the economic activities of the Pacific Rim—in a greater measure of interdependency—will have the result of pulling the area west of Lake Baikal more toward Vladivostok and less toward Moscow. While not changing the allegiance of that area to Moscow, such a shift will create new sensitivities and new dependencies.

In advocating active engagement with the Soviet Union in East Asia—and other areas as well—I recognize that the policy we followed for the last forty years, containment, has succeeded in many ways articulated by its first advocates. We must realize that some of the basic realities of the international system have changed in the past forty years. The grand consensus upon which containment was built was seriously undermined during the Vietnam war. Since then, changes in worldwide economic relationships and changes internal to the Soviet Union and Eastern Europe underline the need to alter course toward a new grand consensus for the next half century.

Taking advantage of man's inherent desire for freedom, active engagement would bring together the two philosophies in an open competition, exposing the remaining contradictions of the Soviet Empire to its inhabitants. Such an outcome, I contend, would be in the interests of the Pacific Rim and the security of the United States.

Notes

[1] Foreign Broadcast Information Service (FBIS), FBIS-EAS-88-202, 19 October 1988.

[2] *Far Eastern Economic Review* (hereafter cited as *FEER*), 23 June 1988, p. 27.

[3] *Ibid.*, 23 June 1988, p. 13.

[4] *The Washington Post*, 4 August 1988, p. 1.

[5] *The Military Balance, 1987-1988* (London: International Institute for Strategic Studies, 1988), p. 145.

[6] See especially, June Teufel Dreyer, "Deng Xiaoping and Modernization of the Chinese Military," *Armed Forces & Society*, Winter 1988, pp. 215-231.

[7] Don Oberdorfer, "Asia Watch: At the Dawn of the Pacific Century," *The Washington Post,* 31 July 1988, p. C4.

[8] *FEER,* 23 June 1988.

[9] *Ibid.*

[10] *Ibid.,* 16 June 1988, p. 22.

[11] *Ibid.,* 16 June 1988, p. 31.

[12] *The Washington Post,* 12 August 1988, p. A20.

[13] Foreign Broadcast Information Service, "Soviet President Gromyko Meets Wu Xiuqian," FBIS-CHI-88-139, 20 July 1988, p. 3; and *The Washington Post,* 5 August 1988, p. A31.

[14] *Nihon Keizai Shimbun* (Japan), August 1988.

[15] Foreign Broadcast Information Service, FBIS-CHI-88-151, 5 August 1988, p. 3.

[16] "The U.S. and Asia: A Statistical Handbook, 1988 Edition," *Backgrounder,* The Heritage Foundation, 29 July 1988, p. 21.

[17] *Ibid.*

[18] *New York Times,* 19 October 1988, p. 1.

[19] *The Washington Post,* 12 August 1988.

[20] *Sankei Shimbun* (Tokyo), 17 September 1988.

[21] *The Washington Post,* 19 October 1988, p. 1.

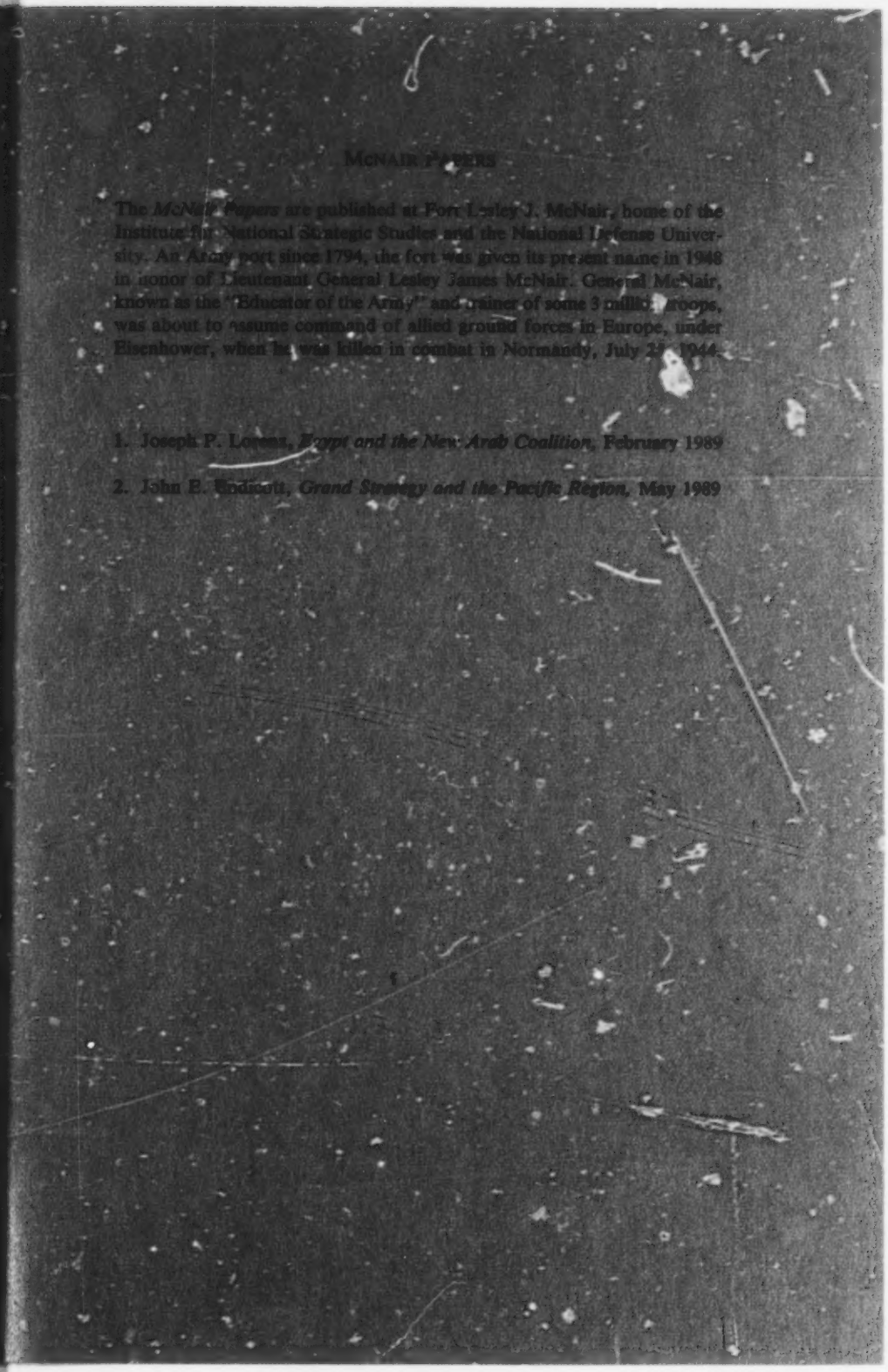
[22] Foreign Broadcast Information Service, FBIS-EAS-88-202, 19 October 1988, p. 10.

[23] *Sankei Shimbun* (Tokyo), 24 August 1988, p. 2.

[24] See *JEI Report,* "Maekawa Report Update," October 1988, for an in-depth review of this report's current status.

[25] *FEER,* 29 September 1988, p. 24.

Dr. John E. Endicott was Director of the Institute for National Strategic Studies, National Defense University, in Washington DC, from 1986 to 1989. Currently, he is with the Georgia Institute of Technology.



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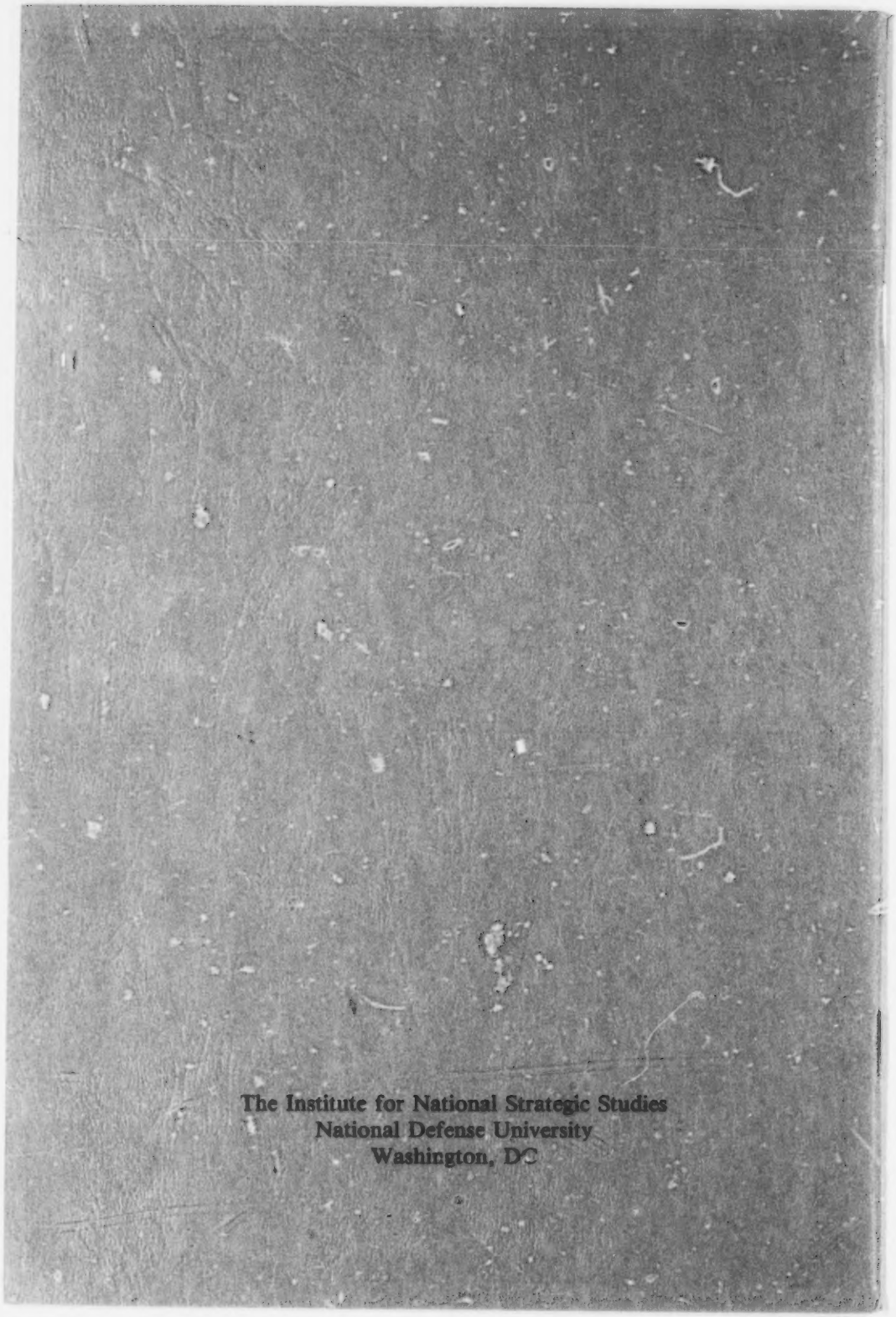
1. Joseph P. Lorenz, *Egypt and the New Arab Coalition*, February 1989
2. John B. Sigmund, *Grand Strategy and the Pacific Region*, May 1989



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National Defense University
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